

# Western States Minerals Corporation

4975 Van Gordon Street  
Wheat Ridge, Colorado 80033  
(303) 425-7042  
TELEX NO. 450186 West States

January 29, 1986

Mr. Lowell Braxton  
Administrator  
Mineral Resource Development and Reclamation  
Division of Oil, Gas and Mining  
355 W. North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Re: Drum Mine  
ACT/027/007

Dear Mr. Braxton:

Enclosed, please find a reclamation bond for the Drum Mine. The bond is in the amount of \$264,080, and will consolidate all the additional and previous bond requirements. This consolidated bond will cover the entire project, as listed by you in your letter of October 11, 1985, (attached).

If all is in order, would you please release The American Insurance Company's bond number 348-1803, for the amount of \$117,000. Their address is:

The American Insurance Company  
Fireman's Fund Insurance Companies  
P. O. Box 9431  
Minneapolis, Minn 55440  
Attention: Jim Padden, Manager  
Fidelity and Surety Department

Thank you for your help and please do not hesitate to call, should you require further information.

Very truly yours,

  
John R. Danio  
Project Manager

Enclosure

JRD/gej

**FILE COPY**

*File ACT/027/007  
Copy to DAM  
and JFW*

**RECEIVED**

**FEB - 3 1986**

**DIVISION OF OIL  
GAS & MINING**



(August 1985)  
(Noncoal)Bond Number \_\_\_\_\_  
Permit Number ACT/027/007STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

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FEB - 3 1986

DIVISION OF OIL  
& MINING

## THE MINED LANDS RECLAMATION ACT

## BOND

\*\*\*\*\*

The undersigned WESTERN STATES MINERALS CORPORATION  
as principal, and SEABOARD SURETY COMPANY as  
surety, hereby jointly and severally bind ourselves, our heirs, administrators,  
executors, successors and assigns unto the State of Utah, Division of Oil, Gas  
and Mining in the penal sum of TWO HUNDRED SIXTY FOUR THOUSAND EIGHTY AND NO/100  
----- dollars (\$264,080.00).

The principal estimated in the Mining and Reclamation Plan filed with the  
Division of Oil, Gas and Mining on the 30th day of September  
1985, that 143.7 acres of land will be disturbed  
by this mining operation in the State of Utah. A description of the disturbed  
land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily  
reclaimed the above-mentioned lands affected by mining in accordance with the  
approved Mining and Reclamation Plan and has faithfully performed all  
requirements of the Mined Land Reclamation Act, and complied with the Rules  
and Regulations adopted in accordance therewith, then this obligation shall be  
void; otherwise it shall remain in full force and effect until the reclamation  
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a  
piecemeal or cyclic basis, and the land is reclaimed in accordance with such  
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area  
of the land affected or increased reclamation work, then this bond may  
accordingly be increased with the written approval of the surety company.


The Division shall only accept the bond of a surety company if the bond is  
noncancellable by the surety at any time for any reason including, but not  
limited to nonpayment of premium or bankruptcy of the permittee during the  
period of liability.



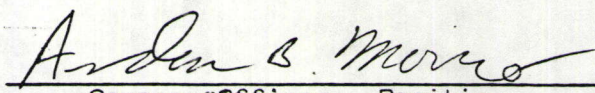
NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.

Dated this 30th day of September, 19 85.

State of Utah  
Board of Oil, Gas and Mining


  
\_\_\_\_\_  
Gregory H. Williams, Chairman

WESTERN STATES MINERALS CORPORATION  
Principal (Company)

By   
\_\_\_\_\_  
Company Officer - Position  
President

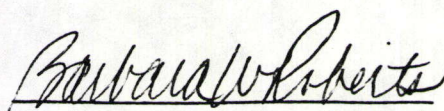
Date: September 30, 1985

SEABOARD SURETY COMPANY  
Surety (Company)

By   
\_\_\_\_\_  
Surety Company Officer - Position  
Timothy J. Wicker, Attorney-in-Fact

DATE: September 30, 1985

APPROVED AS TO FORM:

By   
\_\_\_\_\_  
Assistant Attorney General



AFFIDAVIT OF QUALIFICATION

Timothy J. Wicker, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-Fact of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety Company is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

SEABOARD SURETY COMPANY

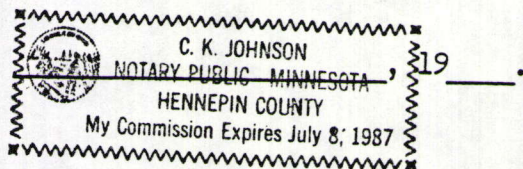
(Signed)

Timothy J. Wicker  
Surety Company Officer - Position  
Timothy J. Wicker, Attorney-in-Fact

Subscribed and sworn to before me this 30th day of September, 1985.

C. K. Johnson  
Notary Public

My Commission Expires:





No. \_\_\_\_\_

New York, New York

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That SEABOARD SURETY COMPANY, a corporation of the State of New York, has made, constituted and appointed and by these presents does make, constitute and appoint Timothy J. Wicker or Dennis J. Wilder or Sharon Albrecht or Thomas H. Quill

of Minneapolis, Minnesota

its true and lawful Attorney-in-Fact, to make, execute and deliver on its behalf insurance policies, surety bonds, undertakings and other instruments of similar nature as follows:

Without Limitations.

Such insurance policies, surety bonds, undertakings and instruments for said purposes, when duly executed by the aforesaid Attorney-in-Fact, shall be binding upon the said Company as fully and to the same extent as if signed by the duly authorized officers of the Company and sealed with its corporate seal; and all the acts of said Attorney-in-Fact, pursuant to the authority hereby given, are hereby ratified and confirmed.

This appointment is made pursuant to the following By-Laws which were duly adopted by the Board of Directors of the said Company on December 8th, 1927, with Amendments to and including January 15, 1982 and are still in full force and effect:

## ARTICLE VII, SECTION 1:

"Policies, bonds, recognizances, stipulations, consents of surety, underwriting undertakings and instruments relating thereto, insurance policies, bonds, recognizances, stipulations, consents of surety and underwriting undertakings of the Company, and releases, agreements and other writings relating in any way thereto or to any claim or loss thereunder, shall be signed in the name and on behalf of the Company

(a) by the Chairman of the Board, the President, a Vice-President or a Resident Vice-President and by the Secretary, an Assistant Secretary, a Resident Secretary or a Resident Assistant Secretary, or (b) by an Attorney-in-Fact for the Company appointed and authorized by the Chairman of the Board, the President or a Vice-President to make such signature; or (c) by such other officers or representatives as the Board may from time to time determine.

The seal of the Company shall if appropriate be affixed thereto by any such officer, Attorney-in-Fact or representative."

IN WITNESS WHEREOF, SEABOARD SURETY COMPANY has caused these presents to be signed by one of its Vice-Presidents, and its corporate seal to be hereunto affixed and duly attested by one of its Assistant Secretaries, this 3rd day of May, 1985.



Attest:

(Seal)

Assistant Secretary

SEABOARD SURETY COMPANY

By

Vice President

STATE OF NEW YORK  
COUNTY OF NEW YORK ss.

On this 3rd day of May, 1985, before me personally appeared Thomas P. Gorke, a Vice-President of SEABOARD SURETY COMPANY, with whom I am personally acquainted, who, being by me duly sworn, said that he resides in the State of New Jersey, that he is a Vice-President of SEABOARD SURETY COMPANY, the corporation described in and which executed the foregoing instrument, that he knows the corporate seal of the said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company, and that he signed his name thereto as Vice-President of said Company by like authority.

SAMUEL C. SIMMONS

Notary Public, State of New York

No. 41-9010912

Qualified in Queens County

Certificate filed in New York County

Expires March 30, 1986



## CERTIFICATE

I, the undersigned Assistant Secretary of SEABOARD SURETY COMPANY do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this Certificate and I do further certify that the Vice-President who executed the said Power of Attorney was one of the Officers authorized by the Board of Directors to appoint an attorney-in-fact as provided in Article VII, Section 1, of the By-Laws of SEABOARD SURETY COMPANY.

This Certificate may be signed and sealed by facsimile under and by authority of the following resolution of the Executive Committee of the Board of Directors of SEABOARD SURETY COMPANY at a meeting duly called and held on the 25th day of March 1970.

"RESOLVED: (2) That the use of a printed facsimile of the corporate seal of the Company and of the signature of an Assistant Secretary on any certification of the correctness of a copy of an instrument executed by the President or a Vice-President pursuant to Article VII, Section 1, of the By-Laws appointing and authorizing an attorney-in-fact to sign in the name and on behalf of the Company surety bonds, underwriting undertakings or other instruments described in said Article VII, Section 1, with like effect as if such seal and such signature had been manually affixed and made, hereby is authorized and approved."

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company to these presents this 30th day of September, 1985.



Assistant Secretary

Form 957 (Rev. 7/84)